



General Assembly

January Session, 2011

***Raised Bill No. 1079***

LCO No. 3885

\*03885\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***AN ACT CONCERNING OPERATIONS OF PUBLIC SERVICE COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-19tt of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2011*):

3 In any rate case initiated on and after [June 4, 2007] July 1, 2011, the  
4 Department of Public Utility Control shall order the state's gas and  
5 electric distribution companies to decouple distribution revenues from  
6 the volume of natural gas or electricity sales through [any of the  
7 following strategies, singly or in combination: (1) A] a mechanism that  
8 adjusts actual distribution revenues to allowed distribution revenues.  
9 [, (2) rate design changes that increase the amount of revenue  
10 recovered through fixed distribution charges, or (3) a sales adjustment  
11 clause, rate design changes that increase the amount of revenue  
12 recovered through fixed distribution charges, or both.] In making its  
13 determination on this matter, the department shall consider the impact  
14 of decoupling on the gas or electric distribution company's return on  
15 equity and make necessary adjustments thereto.

16       Sec. 2. (NEW) (*Effective July 1, 2011*) An electric distribution  
17 company, as defined in section 16-1 of the general statutes, may,  
18 notwithstanding any provision of title 16 or 16a of the general statutes,  
19 construct, own and operate a renewable energy source generation  
20 facility, provided the Department of Public Utility Control has (1)  
21 approved the construction, ownership and operation by an electric  
22 distribution company of such facility in a contested proceeding in  
23 which the department has made available to other persons the  
24 opportunity to submit proposals for such construction, ownership and  
25 operation, and (2) determined that the construction, ownership and  
26 operation of such facility by such electric distribution company is in  
27 the interest of the state in meeting renewable energy portfolio  
28 standards and maintaining reasonable costs of electric generation  
29 services. Any electric distribution company that submits a proposal to  
30 construct, own or operate a renewable energy source generation  
31 facility shall provide the department with any information the  
32 department deems to be in the public interest and that may assist the  
33 department in evaluating the cost and benefit to the state of such  
34 facility. Any electric distribution company constructing, owning or  
35 operating such facility shall be permitted to recover the costs of such  
36 construction, ownership and operation, including a return on  
37 investment, from a nonbypassable charge as determined by the  
38 department in an annual contested proceeding consistent with the  
39 provisions of sections 16-19, 16-19b and 16-19e of the general statutes.  
40 The return on investment associated with such project shall be  
41 established in the initial contested proceeding and reestablished every  
42 four years thereafter.

43       Sec. 3. (NEW) (*Effective July 1, 2011*) An electric distribution  
44 company, as defined in section 16-1 of the general statutes, may,  
45 notwithstanding any provision of titles 16 and 16a of the general  
46 statutes, own and operate a generation facility for customer-side  
47 distributed resources, as defined in section 16-1 of the general statutes.  
48 Such electric distribution company may enter into a contract with a  
49 customer on whose premises such facility is located or may establish a

50 tariff, subject to approval of the Department of Public Utility Control,  
51 to make the services of such facility available. Such tariff or contract  
52 shall allow an electric distribution company to recover investment  
53 costs of such facility, including a reasonable return on investment.  
54 Prior to the execution of such contract, a customer may request that the  
55 department review the contract to determine that any provision  
56 concerning the return on investment for the electric distribution  
57 company is consistent with subdivision (4) of subsection (a) of section  
58 16-19e of the general statutes.

59 Sec. 4. Subsection (a) of section 16-262c of the general statutes is  
60 repealed and the following is substituted in lieu thereof (*Effective July*  
61 *1, 2011*):

62 (a) Notwithstanding any other provision of the general statutes no  
63 electric, electric distribution, gas, telephone or water company, no  
64 electric supplier or certified telecommunications provider, and no  
65 municipal utility furnishing electric, gas, telephone or water service  
66 shall cause cessation of any such service by reason of delinquency in  
67 payment for such service (1) on any Friday, Saturday, Sunday, legal  
68 holiday or day before any legal holiday, provided such a company,  
69 electric supplier, certified telecommunications provider or municipal  
70 utility may cause cessation of such service (A) to a nonresidential  
71 account on a Friday which is not a legal holiday or the day before a  
72 legal holiday when the business offices of the company, electric  
73 supplier, certified telecommunications provider or municipal utility  
74 are open to the public the succeeding Saturday, and (B) to a residential  
75 account on a Friday which is not a legal holiday or the day before a  
76 legal holiday when (i) the business offices of the company, electric  
77 supplier, certified telecommunications provider or municipal utility  
78 are open to the public the succeeding Saturday, (ii) the Department of  
79 Public Utility Control has determined that an adequate number of  
80 remote payment centers at which customers of such company, electric  
81 supplier, certified telecommunications provider or municipal utility  
82 may pay their bills are open on Saturdays, and (iii) the personnel sent

83 to effect termination on such residential account on such a Friday are  
 84 authorized to accept noncash payment from such customer, (2) at any  
 85 time during which the business offices of said company, electric  
 86 supplier, certified telecommunications provider or municipal utility  
 87 are not open to the public, or (3) within one hour before the closing of  
 88 the business offices of said company, electric supplier or municipal  
 89 utility.

90 Sec. 5. Subdivision (1) of subsection (a) of section 16-262f of the  
 91 general statutes is repealed and the following is substituted in lieu  
 92 thereof (*Effective July 1, 2011*):

93 (a) (1) Upon default of the owner, agent, lessor or manager of a  
 94 residential dwelling or nursing home facility, as defined in section 19a-  
 95 521, who is billed directly by an electric, electric distribution, gas or  
 96 telephone company or by a municipal utility for electric or gas utility  
 97 service furnished to such building, such company or municipal utility  
 98 or electric supplier providing electric generation services may petition  
 99 the Superior Court or a judge thereof, for appointment of a receiver of  
 100 the rents or payments for use and occupancy or common expenses, as  
 101 defined in section 47-202, for any dwelling or nursing home facility, as  
 102 defined in section 19a-521, for which the owner, agent, lessor or  
 103 manager is in default. The court or judge shall forthwith issue an order  
 104 to show cause why a receiver should not be appointed, which shall be  
 105 served upon the owner, agent, lessor or manager or his agent in a  
 106 manner most reasonably calculated to give notice to such owner,  
 107 agent, lessor or manager as determined by such court or judge,  
 108 including, but not limited to, a posting of such order on the premises  
 109 in question.

110 Sec. 6. Subsection (b) of section 16-19b of the general statutes is  
 111 repealed and the following is substituted in lieu thereof (*Effective July*  
 112 *1, 2011*):

113 (b) (1) If the department finds that the changed price of purchased  
 114 gas required for distribution by a gas company substantially threatens

115 the ability of the company to earn a reasonable rate of return, or will  
 116 cause the company to have an excessive rate of return, the department  
 117 shall, after investigation and public hearing, approve a suitable  
 118 purchased gas adjustment clause to be superimposed upon the  
 119 existing rate schedule of the company. The department shall design  
 120 any such purchased gas adjustment clause to allow the gas company to  
 121 charge or to reimburse the consumer only for the changes in the cost of  
 122 purchased gas and associated indirect gas costs, including, but not  
 123 limited to, the commodity portion of uncollectible accounts, working  
 124 capital related to the purchased gas commodity and carrying costs of  
 125 the purchased gas commodity inventory, which occur when the actual  
 126 price of purchased gas differs from the price reflected in the base rates  
 127 of the company. The department may establish an efficiency factor in  
 128 the purchased gas adjustment clause of each gas company, which may  
 129 provide for less than one hundred per cent recovery of the gross  
 130 earnings tax imposed by section 12-264 on the revenues from such  
 131 purchased gas. A purchased gas adjustment clause approved pursuant  
 132 to this section shall apply to all gas companies similarly affected by the  
 133 costs which form the basis for the adjustment clause.

134 (2) The department shall allow a gas company to reconcile the  
 135 differences between the costs associated with the purchased gas  
 136 commodity and the costs included in the base delivery rates of such  
 137 company.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	16-19tt
Sec. 2	<i>July 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011</i>	New section
Sec. 4	<i>July 1, 2011</i>	16-262c(a)
Sec. 5	<i>July 1, 2011</i>	16-262f(a)(1)
Sec. 6	<i>July 1, 2011</i>	16-19b(b)

***Statement of Purpose:***

To require that decoupling of utility company revenues occur through revenue adjustment rather than rate design changes; to permit electric distribution companies to construct, own and operate renewable energy generation facilities and customer-side distributed resource generation facilities; to permit utility service termination on Fridays for certain accounts; to allow a utility company to seek appointment of a receiver for certain nursing home facilities; and to permit a gas company to recover additional costs pursuant to the purchased gas adjustment clause.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*